



G. THOMAS SURTEES
Commissioner

State of Alabama Department of Revenue

(www.revenue.alabama.gov)
50 North Ripley Street
Montgomery, Alabama 36132

CYNTHIA UNDERWOOD
Assistant Commissioner
LEWIS A. EASTERLY
Secretary

November 18, 2005

TO: ALL PERSONS, FIRMS, AND CORPORATIONS making sales at retail and purchasing tangible personal property for use, storage, or other consumption in the **City of Rainbow City**, Alabama, and its police jurisdiction (located in Etowah County).

On October 24, 2005, the governing body of the City of Rainbow City adopted Ordinance Number 429 increasing the rates of the City of Rainbow City sales and use taxes **effective December 1, 2005**. The increased sales and use tax rates are shown below:

Sales & Use Tax Rates:	<u>OLD RATES</u>	<u>NEW RATES</u>
General Rate	3%	4%
Admissions to places of amusement and entertainment	3%	4%
Retail selling price of food for human consumption sold through vending machines	3%	4%
Net difference paid for machines, machinery and equipment used in planting, cultivating, and harvesting farm products5%	.5%
Machines and parts and attachments for machines used in manufacturing tangible personal property	1%	1%
Net difference paid for all automotive vehicles, truck trailers, semi-trailers, and house trailers5%	.5%

If sales are made and delivered to consumers, or purchases made for use, storage, or other consumption, outside the corporate limits of the City of Rainbow City but within the police jurisdiction, the rates of sales and use taxes are one-half the rates shown above.

The Law requires that the City of Rainbow City taxes be collected, reported and remitted in the same manner as the State Taxes. When you file and pay electronically, the City of Rainbow City sales and use taxes are to be included on the electronic city/county tax return assigned to you (City and County Tax Return, form 9501). Simply enter the gross amounts and deductions, and all calculations will be done automatically for you. You may file these taxes online through the Internet at www.revenue.alabama.gov/salestax/efiling.html or through the telephone by calling toll free 1-800-828-1727. Telephone-filers should use Locality Code 9666.

Please direct all questions regarding the City of Rainbow City sales and use taxes to this office.

Alabama Department of Revenue
Sales, Use & Business Tax Division
P. O. Box 327710
Montgomery, Alabama 36132-7710
(334) 242-1490 or (866) 576-6531

